

FOR MORE INFORMATION

Tennessee Consolidated  
Retirement System (TCRS)  
Insurance Section

1.877.681.0155

[www.treasury.state.tn.us/tcrs/](http://www.treasury.state.tn.us/tcrs/)

Division of Insurance Administration

615.741.3590 or 1.800.253.9981

[www.state.tn.us/finance/ins/](http://www.state.tn.us/finance/ins/)

This document is intended to provide a summary of eligibility requirements for the continuation of insurance coverage at retirement. For detailed information, please consult your agency's insurance preparer.

If you require this publication in an alternative format, please contact the DIA Communications Office at 615.741.8669.



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# CONTINUING INSURANCE AT RETIREMENT

## Local Government Plan

## Tennessee Consolidated Retirement System (TCRS) Participants

CONTINUING INSURANCE AT RETIREMENT — LOCAL GOVERNMENT TCRS

## Continuing Coverage at Retirement

All covered local government employees who meet the qualifications may continue medical insurance at retirement for themselves and covered eligible dependents (spouse and/or children). Retired employees may continue coverage until they become eligible for Medicare. Covered dependents will also be allowed to continue coverage until they become eligible for Medicare or no longer qualify as eligible dependents. Participants who are eligible for Medicare may enroll in a Medicare Supplement Plan. For individuals to continue insurance benefits, the agency from which they retire must continue to participate in the local government plan.

Individuals who choose a lump-sum retirement benefit are not eligible to continue insurance at retirement.

## Individuals Not Eligible for Medicare

### Service Requirements

Eligible retirees must have at least ten years of employment to continue insurance coverage. For the purpose of continuation of insurance, local government service means service with the agency from which the employee is retiring. Accumulated unused sick leave may be counted. Military service that did not interrupt employment, educational leave, leave of absence, employment with an agency participating in the state or local education plans, or service with another local government agency cannot be counted.

The eligibility guidelines for continuation of insurance coverage are as follows:

- Ten years of service **with the agency from which they retire**, must be age 55 and at least three full years of coverage under the plan immediately prior to retirement. Coverage

must begin immediately upon retirement, unless the retiree goes to work for another agency participating in a state sponsored plan.

- 20 years of service **with the agency from which they retire**, must be age 55 and at least one full year of coverage on the plan immediately prior to retirement. Coverage must begin immediately upon retirement, unless the retiree goes to work for another agency participating in a state sponsored plan.
- At least 30 years of service **with the agency from which they retire**, may be any age, and be covered at least one full year on the plan immediately prior to retirement.

The one-year and three-year participation requirement will be waived if the local government agency has not participated in the plan for that length of time.

### Application

Eligible employees who wish to continue insurance coverage after retirement should submit an Application for Continuation of Insurance with their retirement application to the Tennessee Consolidated Retirement System (TCRS). Applications may be obtained through your agency insurance preparer or by calling the Division of Insurance Administration (DIA). The application to continue coverage must be submitted within a full calendar month from the effective date of retirement.

If eligible retirees do not enroll within a full calendar month from the effective date of retirement, they may only re-enroll if they were on the medical insurance at the time they retired and were eligible to continue that coverage by their age, length of service, length of participation in the Plan and meet **one** of the following late applicant requirements.

- Be approved by medical underwriting by submitting a completed medical questionnaire.
- Meet a Special Enrollment Provision under the guidelines of the Health Insurance Portability and Accountability Act (HIPAA). Some qualifying events under HIPAA include loss of other group coverage due to death of spouse, divorce, termination of spouse’s employment, legal separation, loss of eligibility, loss of TennCare, spouse’s employer ceases total contribution toward health insurance, spouse’s number of work hours required for insurance eligibility are reduced or they acquire a new dependent through marriage, birth or adoption. An Application for Special Enrollment by Qualifying Event must be completed and postmarked within 60 days of the loss of coverage or acquisition of the new dependent. Appropriate documentation must also be submitted.

Retiring employees must continue in the same health insurance option they were enrolled in immediately prior to retirement. Any retiree who is enrolled in a Health Maintenance Organization (HMO) or Point of Service (POS) option and moves outside the service area will be allowed to enroll in another option. Out-of-state retirees must enroll in the Preferred Provider Organization (PPO) option.

The state conducts an annual transfer period from October 15 through November 15. Changes made during this time become effective the following January 1. Retirees will receive notice each year concerning available options.

**Premiums**

Retirees receiving a retirement benefit through TCRS may have their premiums deducted from their retirement check. If the TCRS check is not sufficient to cover the cost of coverage, DIA will

bill the retiree directly. If the retiree’s former employer elects to pay all or a portion of the premium, DIA will bill the agency for the full amount and the retiree must make arrangements with the agency to pay their portion.

**Claims**

Retirees who continue their health coverage will use the same insurance identification card that was used while they were actively employed. The claims process will be the same. Any questions regarding payment of claims should be directed to the insurance company.

**Coverage for Dependents**

Retirees may continue insurance coverage for a spouse or dependent child if the individuals were covered at retirement and are not Medicare eligible. Dependent children may continue coverage as long as they meet plan eligibility requirements. Newly acquired dependents must be added to the plan within 60 days. Notify the Division of Insurance Administration to add dependents to your coverage.

Upon the death of a retiree, a covered spouse or dependent will receive six months of free insurance coverage. Dependents of a deceased retiree may continue coverage only if they were covered by the plan upon the retiree’s death **and** are not eligible for Medicare. They may be eligible for COBRA coverage for up to 36 months or until they become Medicare eligible.

**Disability Participants**

Employees who qualify for disability retirement through TCRS may continue coverage if they participated in the local government plan at the time the injury or illness occurred. Coverage will terminate once the retiree becomes eligible for Medicare Part A. Disability participants must have at least five years of service with the agency from which they are retiring to qualify.

Employees who are granted a service retirement but are also disabled must prove that total disability

exists at the time of retirement. Proof of total disability must be shown by submitting an Award Letter from the Social Security Administration or approval by TCRS based on physician review of medical records documenting the disability. The required proof must show total disability existed at the time of termination of employment.

**Dental Insurance**

Employees who wish to continue dental benefits at retirement may continue through COBRA. Information is automatically sent upon cancellation of active coverage. Premium deductions can be made through TCRS for dental insurance.

**Individuals Eligible For Medicare**

Any retired local government employee or dependent eligible for Medicare Part A, regardless of age, will be offered a Medicare supplement policy. Covered dependents will be allowed to continue coverage until they become Medicare eligible or no longer qualify as dependents. To enroll, you must submit an application for one of the state-sponsored Medicare Supplement plans.

**Medicare Supplement Program**

If the retiree or dependent is receiving a TCRS check, a state-sponsored Medicare Supplement plan will be offered.

Employees who are eligible for Medicare at retirement (or who have Medicare eligible dependents) should submit an Application for Medicare Supplement Programs with their retirement application to TCRS. Application for the Medicare Supplement plan of your choice must be made within 60 days of the effective date of retirement to avoid late applicant processing.

Retirees and their dependents who become eligible for Medicare after retirement will be sent an application approximately three months before the date of their Medicare eligibility. To enroll in the

Medicare Supplement Plan, retirees must submit an application to TCRS within 60 days of Medicare eligibility to avoid the late applicant process. Once the application has been approved, the retiree will receive a card showing the subscriber’s name, identification number and effective date.

Premiums for the Medicare Supplement plan are deducted from the monthly TCRS benefit. Retirees whose premium is greater than their monthly benefit will be billed directly by DIA.

Upon the death of a retiree, the spouse or dependents may continue coverage on the Medicare Supplement plan if covered at the time of the retiree’s death. Premiums will be deducted from any continuing monthly retirement benefits; otherwise, individuals will be billed directly by DIA.

**End-Stage Renal Disease**

Retirees eligible for Medicare as a result of end-stage renal disease should contact TCRS immediately.

**Returning To Work**

**Group Health Insurance**

Returning to full-time employment with an agency covered by TCRS may result in the termination of retiree group insurance coverage and the suspension of retirement benefits. TCRS should be contacted immediately when returning to active service.

**Medicare Supplement**

Retirees on the Medicare Supplement Plan who return to full-time employment with a TCRS covered agency may continue insurance coverage on a direct-pay basis as long as they are not enrolled in the employer’s group plan. TCRS should be contacted immediately when returning to active service.